

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re:	§	Chapter 11
	§	
W.R. GRACE & CO., et al.,	§	Jointly Administered
	§	Case No. 01-01139 (JKF)
Debtors.	§	
	§	

**FEE AUDITOR'S FINAL REPORT REGARDING
FEE APPLICATION OF CIBC WORLD MARKETS CORP. FOR THE PERIOD OF
JUNE 4, 2004 THROUGH JANUARY 31, 2006**

This is the final report of Warren H. Smith & Associates, P.C. acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Fee Application of CIBC World Markets Corp. for the Period June 4, 2004 through January 31, 2006 and Final Allowance of Compensation and Reimbursement of Expenses (the "Application").

BACKGROUND

1. CIBC World Markets Corp. ("CIBC") was retained as financial advisor to David T. Austern, Future Asbestos Claimants Representative. In the Application, CIBC seeks final fees¹ totaling \$1,835,000.00² and final expenses totaling \$22,573.14³ for its services in the above-captioned bankruptcy proceeding from June 4, 2004 through January 31, 2006 (the "Final

¹Beginning in February 2006, CIBC was replaced by Piper Jaffray & Co. as financial advisor to David T. Austern.

²We note that this is the total of the fees requested in CIBC's eight prior fee applications. No recommendations were made for fee reductions in any of the prior periods.

³We note that the total of the expenses requested in CIBC's eight prior fee applications is \$23,115.37. In its final application, CIBC requests total expenses of \$22,573.14, reflecting an approved expense reduction of \$401.80 from the Fourteenth Period and \$140.43 in voluntary expense reduction offered in the final application.

Application Period”).

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30, 1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals.

CURRENT INTERIM APPLICATION

3. CIBC did not submit an application for the current interim period.

PRIOR INTERIM APPLICATIONS

4. We note that we previously filed the following final reports for each of the CIBC prior interim applications, which final reports we incorporate by reference herein:

13th Period Fee Auditor’s Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Thirteenth Interim Quarterly Period (Docket #7008), filed on or about, November 19, 2004, in which we recommend approval of fees totaling \$135,000.00 and costs totaling \$391.78. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Thirteenth Interim Period, dated January 26, 2005 (Docket #7622).

- 14th Period Fee Auditor's Final Report Regarding the Fee Application of CIBC World Markets Corp. for the Fourteenth Interim Quarterly Period (Docket #7974), filed on or about March 7, 2005, in which we recommend approval of fees totaling \$450,000.00 and costs totaling \$3,178.39, reflecting a recommended reduction of \$401.80 in costs. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fourteenth Interim Period, dated March 21, 2005 (Docket #8081).
- 15th Period Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Fifteenth Interim Quarterly Period (Docket #8561), filed on or about, June 6, 2005, in which we recommend approval of fees totaling \$400,000.00 and costs totaling \$2,726.28. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Fifteenth Interim Period, dated June 29, 2005 (Docket #8728).
- 16th Period Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Sixteenth Interim Quarterly Period (Docket #9387), filed on or about, September 12, 2005, in which we recommend approval of fees totaling \$300,000.00 and costs totaling \$3,952.69. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Sixteenth Interim Period, dated September 27, 2005 (Docket #9513).
- 17th Period Fee Auditor's Combined Final Report Regarding Those Fee Applications

with No Fee or Expense Issues for the Seventeenth Interim Quarterly Period
(Docket #11168), filed on or about, November 28, 2005, in which we recommend approval of fees totaling \$300,000.00 and costs totaling \$5,456.18. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Seventeenth Interim Period, dated December 21, 2005 (Docket #11402).

18th Period Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Eighteenth Interim Quarterly Period
(Docket #12019), filed on or about, March 9, 2006, in which we recommend approval of fees totaling \$150,000.00 and costs totaling \$4,466.13. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Eighteenth Interim Period, dated March 27, 2006 (Docket #12121).

19th Period Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Nineteenth Interim Quarterly Period
(Docket #12525), filed on or about, May 25, 2006, in which we recommend approval of fees totaling \$75,000.00 and costs totaling \$477.63. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Nineteenth Interim Period, dated June 16, 2006 (Docket #12660).

20th Period Fee Auditor's Combined Final Report Regarding Those Fee Applications with No Fee or Expense Issues for the Twentieth Interim Quarterly Period

(Docket #13184), filed on or about, September 8, 2006, in which we recommend approval of fees totaling \$25,000.00 and costs totaling \$1,924.06. These recommendations were adopted in the Order Approving Quarterly Fee Applications for the Twentieth Interim Period, dated September 26, 2006 (Docket #13298).

5. We have reviewed all of the final reports and orders allowing fees and expenses for each of these prior interim periods, and we do not believe there is any reason to change any of the amounts awarded for each of these prior interim periods.

CONCLUSION


6. Thus we recommend final approval of fees totaling \$1,835,000.00⁴ and expenses totaling \$22,573.14⁵ for CIBC's services from June 4, 2004 through January 31, 2006.

⁴We note that this is the total of the fees requested in CIBC's eight prior fee applications. No recommendations were made for fee reductions in any of the prior periods.

⁵We note that the total of the expenses requested in CIBC's eight prior fee applications is \$23,115.37. In its final application, CIBC requests total expenses of \$22,573.14, reflecting an approved expense reduction of \$401.80 from the Fourteenth Period and \$140.43 in voluntary expense reduction offered in the final application.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 15th day of March, 2007.


Warren H. Smith

SERVICE LIST

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